

**Iowa Power Fund Board**  
**Meeting Minutes March 12, 2008**  
**Iowa Utilities Board Hearing Room**  
**350 Maple St**  
**Des Moines, Iowa**

**Call to Order:**

Fred Hubbell, Chair, called the meeting to order at 9:10 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
<b>Voting Members</b>			<b>Ex-Officio Members</b>		
Fred S. Hubbell, Chair	X		M J Dolan	X	
John Bilsten	X		Gregory Geoffroy	X/Andy	
Peter Hemken	X		Kent Henning		X
Patricia Higby	X		Senator Hubert Houser	X	
Carrie LaSeur	X		Senator Roger Stewart	X	
Richard Leopold	X		Rep. Nathan Reichert		X
John Norris	X		Rep. Chuck Soderberg	X	
Bill Northey	X		<b>Due Diligence Committee</b>	<b>Present</b>	<b>Present</b>
Lucy Norton	X			Franklin Codel	
Mike Tramontina	Karen		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

- OEI staff in attendance: Roya Stanley, Brian Crowe, Jennifer Wright, Sherry James

**Approval of Agenda:**

Action: Mr. Hemken moved, Mr. Bilsten seconded, to approve the agenda as printed. All members present voted “aye”.

**Approval of Minutes:**

Action: Mr. Bilsten moved, Mr. Hemken seconded, to approve the February 13, 2008 Power Fund Board minutes as written. All members present voted “aye”.

**Chair’s Remarks:**

Chair Fred Hubbell reported that the emphasis of the meeting would be preliminary discussion of the pre-applications received. There would also be discussion regarding the 2008 Energy Plan.

**Director’s Remarks:**

Director Roya Stanley reported the work of the Power Fund Board was more important than ever due to the \$109 per barrel for crude oil and how it was going to affect the nation and Iowa’s economy. Director Stanley reported the two bills are continuing to move through the legislature that would address the budget issues. One bill addresses the intellectual property and clarifies the language that

the Board can elect to use Power Fund Money for planning and technical reviews of applications. The other bill provides for up to 5% administrative costs from the power fund money.

### **Public Comments:**

Franklin Kinkade, Creston; Gary Jacobs, Hydro Pump Co; and Clint McNaught, retired driller, addressed the Board regarding Geo-Thermal and the lack of the Iowa Energy Office's recognition of geo-thermal as a renewable energy. They reviewed the benefits to utilities and reviewed how the system is beneficial for economical and environmental reasons.

Kent Holst, Development Director of the Iowa Stored Energy Plant, presented to the Board to introduce the business and reported the pre-application has been considered and DDC requested to submit a full-application for further consideration.

Steve Gruhn, Spirit Lake, addressed the Board regarding Freedom Fertilizer and the research of new services for renewable forms of energy. He reported that wind power is essential in making anhydrous ammonia. He requested the board's support in asking legislators to consider an anhydrous mandate for use of green anhydrous ammonia until cost is reduced.

Lynnae Hentzen, Center on Sustainable Communities, encouraged the Board to engage consumers and residents in some of the projects that they are considering to fund. She reported that it is important to encourage growth in Iowa, but she also explained that it's important to engage consumers to help educate them on renewable energy, etc.

Board Chair Hubbell reported there is currently a proposal from the legislators and Governor to address the encouragement of energy efficiency to 1 ½ percent standard which would require more activity of energy producers. The Due Diligence Committee has opted to wait and see if the proposal is approved before making a final determination on some of the education pre-applications. The Governor's efforts would necessarily need to be initiated and supported by the Power Fund Board.

### **Committee Reports:**

Administrative Rules: Carrie LaSeur reported there was no activity with the Administrative rules committee at this time.

Due Diligence: Director Stanley, chair of the DDC, reported there were 78 pre-applications received for the first submission. Three meetings were scheduled for the DDC to allow time to review all of these pre-apps. There were many good ideas for excellent projects. The total requested was \$183,691,039; with only \$25 million allotted for this fiscal year.

Director Stanley reviewed the DDC process: The pre-applications are binned into one of four categories; "yes"; "yes, if"; "no" or "no, but". All contacts for the pre-applications will receive notification of the decision following the review of their respective pre-apps. The projects determined "no" or "no, but" will be given the concerns and issues that the DDC discussed in relation to their project. They will be allowed to complete a new pre-app and resubmit if they desire. The projects determined "yes" and "yes, if" will be sent a full application to complete as well as a list of any issues that the DDC would like to have clarified.

Director Stanley reported there would need to be a discussion at a future meeting regarding funding and finance packages for those awarded funding such as loan guarantee, partnership, grant, etc.

Mr. Hubbell reported the Power Fund Board would have review of the summary of the pre-applications and if consensus, may ask the DDC to reconsider the “no” and “no, but” pre-applications. He reported the technical and environmental reviews would be requested once the full application was received. It was the consensus of the Board to move the pre-applications determined to be “no” into the “no, but” bin if they fit the category of corn infrastructure due to pending legislation.

There was discussion regarding updating the pre-application if there are several questions of the same type. There was also discussion that more detailed instructions should be on OEI’s webpage for completing the pre-application and the details of the process; however, there was caution expressed as to being too specific and discouraging diversity of the pre-apps.

Senator Stewart reported he felt from a legislator’s viewpoint that the DDC followed the intent of the legislative language with the development of the process.

Mr. Crowe reported it was possible to receive some full applications back in the office by the end of March. An additional DDC meeting was scheduled for Monday, March 31, to review whatever full applications were received by the deadline of March 26<sup>th</sup>. If the full applications don’t need technical review or the technical reviews are received back in a timely manner, there could be some full applications ready for Power Fund Board consideration at the April 9<sup>th</sup> board meeting.

Planning Committee: Tom Wind, planning committee chair, reported the planning committee continues to meet and discuss the outline of the Plan. Mr. Wind reported the committee has requested assistance with a scoping exercise from the Department of Energy technical support staff. He presented a power point presentation of the summary of comments received from the Power Fund Board members at the February meeting regarding important topics they suggested be part of the Plan. It was a consensus that the 2008 Energy Plan should communicate visually with good, solid, base-line graphs, as well as have quotes and narratives.

He suggested having additional public comment forums throughout the summer utilizing the ICN system for more opportunity for public input. Representative Soderberg suggested the scoping exercise include a statistic, valid survey of all Iowans that could be taken at the public forums.

Director Stanley reported she would like to hold a scoping exercise by the first of April and have a draft Request for Proposal (RFP) ready for the board’s consideration at the April Board meeting. Mr. Hubbell reported the Office of Energy Independence and Power Fund Board will work together on developing the Energy Plan.

Application: Mr. Crowe reported there was nothing to report regarding the applications. All of the suggestions and comments from the February board meeting were considered in revising the final application.

#### **Other Business:**

Ms. Higby expressed concern of only having twice a year to present policy recommendations to the legislators thru the Annual Report due on November 1 and the Energy Plan due on December 14 that

includes activities and programs of the office, Iowa power fund, and other departments related to renewable energy, renewable fuels and energy efficiency. Ms. Higby requested to have someone keep the board informed of legislation that deals with energy so they continue to be informed and have the opportunity to contact legislators to encourage them to support new legislation. She reported she felt it was important that the board know about bills and legislative activities that they could support. Mr. Hubbell reported the Office staff and legislative board members will continue to keep the board informed of energy related issues. Ms. Wright also reminded the Board that Bob Mulqueen, policy director for OEI, has attended board meetings to give updates on energy bills.

**Public Comments:**

Jacob Kvinlaug addressed the Board regarding the encouragement and support of Green Buildings. He expressed frustration that the contractors and builders don't understand energy efficiency and "green" buildings.

Chadin Halfhill, Silent Rivers, encouraged the Board to consider the private sector in their thought process for funding and also to consider looking at existing facilities in respect to energy efficiency and independence and not only focus on new buildings.

Gary Jacobs addressed the board for the second time to suggest several questions that could be ask of the applicants on the pre-application for the grading and screening process.

John Grosenheider presented to the board and requested additional feedback for the pre-applicants and full-applicants of what the next steps might be financially in dealing with the submission of the full application, the limited size of the pre-application and expected to give as much information as necessary and requested a collaborative effort with the process.

Cari Widdel, Pohaku, invited the board and attendees to the second annual Renewable on Parade Conference scheduled for September 4-5, 2008 at the Hotel Fort Des Moines. The interactive forum is for innovators, global leaders, and the financiers who are creating a renewable energy economy.

Gary Gundlach, GeoStem, Inc. presented to the Board regarding ground source renewable. He encouraged the members to visit with law makers to assist in making the ground loops and geothermal heat pumps recognized as a renewable resource.

**Adjournment:**

There being no further business to discuss at this time, the meeting adjourned at 1:00 P.M. The next Power Fund Board meeting will be held on Wednesday, April 9 at 9:00 AM at the Iowa Utilities Board conference room.

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Fred Hubbell, Board Chair

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Sherry James, Recording Secretary

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Date